



PROPERTY TAX

EXEMPTIONS & TAX DEFERRAL INFORMATION

OCTOBER 2014

Dear Taxpayers of Cambridge:

This is the third in a series of three newsletters, which contains information about property tax exemptions and tax deferrals which homeowners may be eligible for, to reduce or defer real estate taxes. The first half property tax bills were mailed to property owners on October 17th.

The City continues to offer one of the most generous tax exemption programs in the Commonwealth. Each year, the City Council votes to double the value of the statutory exemptions and to index income and asset levels to keep pace with inflation. Cambridge is one of only a handful of municipalities in the Commonwealth that does this.

Additionally, each year the City also adopts one of the highest residential exemptions allowed by law. The FY15 residential exemption is \$239,500, which results in a tax bill reduction of \$1,872.89 for owners who reside in their property and file a Massachusetts income tax return using that address. I encourage you to read this publication, and to seek out City staff from the departments listed on the back cover with any questions or comments.

Very truly yours,

Richard C. Rossi
City Manager

Mark your calendars!

**If you do not receive your tax bill by
November 1, 2014**

Please contact the Finance Department at 617-349-4220

or email at: treasurer@cambridgema.gov

First Half Tax Bills Due Date: November 17, 2014

Abatement Applications Due Date: November 17, 2014

Exemption Application Due Date: January 15, 2015

Elderly, Veteran and Other Statutory Exemptions

A variety of statutory exemptions are available to reduce property tax obligations for certain qualifying taxpayers: elderly persons, blind persons, disabled veterans, surviving spouses or orphaned minor children, and extreme hardship.

There is also an exemption for active duty Massachusetts military service members.

Applications for FY15 statutory exemptions are due no later than January 15, 2015.

General Qualifications for Exemptions: Applications must meet age and residency qualifications of July 1, 2014. In most cases, the applicant must have owned and occupied real estate property in Massachusetts for five years (and owned and occupied the current property on July 1 in the year of application), and in Massachusetts must have been the applicants' place of domicile for the preceding ten years.

In some circumstances, if two or more persons jointly own a property and each qualifies for a different exemption, more than one exemption may be applied to a single property tax bill.

For Owners of Property in Trust: Trust ownership arrangements may affect qualification for a statutory exemption. As a general rule, an applicant must be a trustee and a beneficiary and submit:

✓ A copy of a recorded trust instrument, including amendments

✓ A copy of the schedule of beneficiaries

Consult your attorney if these requirements affect you.

The following table provides a general idea of the exemptions available. For more information, please contact the Assessing Department at 617-349-4343.

CLAUSE	BASIC QUALIFICATIONS As of July 1, 2014	MAXIMUM INCOME*	MAXIMUM ASSETS*	POTENTIAL TAX RELIEF
ELDERLY				
17D	Age 70	No maximum	\$59,961	\$302-604
41C	Age 65-single	\$24,793	\$49,584	\$1,000-2,000
41C	Age 65- married	\$37,190	\$68,178	\$1,000-2,000
VETERAN				
22	10% disability or purple heart	No maximum	No maximum	\$400-800
22A	Loss or permanent loss of use of one hand, foot or eye	No maximum	No maximum	\$750-1,500
22B	Loss or permanent loss of use of both hands, feet or eyes	No maximum	No maximum	\$1,250-2,500
22C	Specially adapted housing	No maximum	No maximum	\$1,500-3,000
22E	100% disability, incapable of working	No maximum	No maximum	\$1,000-2,000
22D	Surviving spouse of service member or guardsman who died as a result of being in a combat zone	No maximum	No maximum	Full
58/8A	Paraplegic veteran & surviving spouse	No maximum	No maximum	Full
OTHER				
17D	Surviving spouse or orphaned minor children	No maximum	\$59,961	\$320-604
37A	Legally blind	No maximum	No maximum	\$500-1,000
42/43	Surviving spouse or minor children of police officer or firefighter killed in the line of duty	No maximum	No maximum	Full
18	Extreme hardship	Case by case	Case by case	Varies

*Income: Salary, wages, interest, dividends, rental income, IRA distributions, pensions

*Assets: Stocks, bonds, IRAs, bank account balances, real estate holdings other than primary residence

Residential Exemption

More than two-thirds of the residential property in Cambridge is owner-occupied. You are eligible for a residential exemption if you owned and occupied your property as your primary residence as of January 1, 2014. Check your bill to make sure that you received the residential exemption. If you do not see this on your bill, and you qualify, an application form must be submitted no later than January 15, 2015. You do not need to reapply each year.

Download Personal Exemption Forms at:

www.cambridgema.gov/assess/exemptionformsandapplications

Tax Deferral Programs

Senior Tax Deferral Program: Homeowners who are 65 or older and who meet certain income and asset guidelines are eligible to defer up to 100% of annual property taxes. As required by state law, deferred taxes accumulate with simple interest at 4% as a lien on the property until it is sold or the owner is deceased.

Massachusetts Military Service Tax Payment Deferment: Another form of tax relief available to Massachusetts National Guardsmen and reservists deployed outside of the state, is the Massachusetts Military Service Tax Payment Deferment. National Guardsmen and reservists deployed outside Massachusetts, and their dependents, are granted up to 180 days after that service to pay their property taxes- without interest or penalties. This local option statute is patterned after the provisions of the Federal Service Members Civil Relief Act, which allows similar benefits for federal, state or local income taxes. The deferment applies to all outstanding property taxes of qualifying guardsmen or reservists and their dependents, regardless of when the taxes fell due.

Senior & Valor Act Veteran Work Program

The Department of Human Services (DHSP) offers positions to Cambridge seniors to work up to 75 hours during the year. Duties include assisting in senior center activities, mailings and other office tasks. All work is performed onsite at the Senior Centers. Senior qualification guidelines include being a Cambridge resident, age 60 or older, and meeting the Cambridge Housing Authority's income guidelines.

The program serves seniors who are either homeowners or renters. Veteran qualification guidelines under the Valor Act are available from the Board of Assessors.

Community Preservation Act (CPA)

CPA Residential Exemption: The first \$100,000 of residential property value is automatically exempt from the CPA surcharge. The CPA surcharge on your FY15 bill accounts for the \$100,000 exemption.

CPA Low/Moderate Income Exemption: Qualifying lower income owners and low-to-moderate income seniors may be eligible for a full surcharge exemption, based on income guidelines established by the Commonwealth each year. The form is available on the Assessor's website.

Guidelines:

✓ Applicant must own and occupy the property as their primary residence as of January 1, 2014

✓ Applicant and each co-owner must have household income for the calendar year before January 1, 2014 at, or below the limit for that owner's household size and type

The table below shows the limits by household type:

Household Size	Senior Household	Non-Senior Household
1 person	\$65,900	\$52,720
2 persons	\$75,300	\$60,240
3 persons	\$84,700	\$67,760
4 persons	\$94,100	\$75,280
5 persons	\$101,700	\$81,360

Note: The annual income limits are based on the median income for the Boston area, set by the US Department of Housing and Urban Development, and income limits are based on inclusionary housing program guidelines. If your household is larger than five persons, please contact the Assessing Department for the formula.

Senior Circuit Breaker Tax Credit

Eligible seniors are able to reduce their property taxes even further through this state tax credit program. A tax credit is available to assist low- and moderate-income seniors in paying property taxes and utility charges. Under this program, eligible homeowners and renters receive a refundable credit on their State income taxes, if they file annual income tax returns (for the previous taxable year). This is a state program. For more information, please contact the Massachusetts Department of Revenue Customer Service at 617-887-6367.



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Property Value Information:

Assessing Department - 617 349 4343
www.cambridgema.gov/assess

Tax Bill Information:

Finance Department - 617 349 4220
www.cambridgema.gov/finance

Expenditure/Revenue Information

Budget Office - 617 349 4270

General Information

City Manager's Office - 617 349 4300



Questions on your tax bill or assessment?

Email us at:

Treasurer@cambridgema.gov

Assessor@cambridgema.gov